

1 (b) "Annuitant" means (1) an employee who retires, or
2 has retired, on or after January 1, 1966 on an immediate
3 annuity under the provisions of Articles 2, 14, 15 (including
4 an employee who has retired under the optional retirement
5 program established under Section 15-158.2), paragraphs (2),
6 (3), or (5) of Section 16-106, or Article 18 of the Illinois
7 Pension Code; (2) any person who was receiving group
8 insurance coverage under this Act as of March 31, 1978 by
9 reason of his status as an annuitant, even though the annuity
10 in relation to which such coverage was provided is a
11 proportional annuity based on less than the minimum period of
12 service required for a retirement annuity in the system
13 involved; (3) any person not otherwise covered by this Act
14 who has retired as a participating member under Article 2 of
15 the Illinois Pension Code but is ineligible for the
16 retirement annuity under Section 2-119 of the Illinois
17 Pension Code; (4) the spouse of any person who is receiving a
18 retirement annuity under Article 18 of the Illinois Pension
19 Code and who is covered under a group health insurance
20 program sponsored by a governmental employer other than the
21 State of Illinois and who has irrevocably elected to waive
22 his or her coverage under this Act and to have his or her
23 spouse considered as the "annuitant" under this Act and not
24 as a "dependent"; or (5) an employee who retires, or has
25 retired, from a qualified position, as determined according
26 to rules promulgated by the Director, under a qualified local
27 government or a qualified rehabilitation facility or a
28 qualified domestic violence shelter or service. (For
29 definition of "retired employee", see (p) post).

30 (b-5) "New SERS annuitant" means a person who, on or
31 after January 1, 1998, becomes an annuitant, as defined in
32 subsection (b), by virtue of beginning to receive a
33 retirement annuity under Article 14 of the Illinois Pension
34 Code, and is eligible to participate in the basic program of

1 group health benefits provided for annuitants under this Act.

2 (b-6) "New SURS annuitant" means a person who (1) on or
3 after January 1, 1998, becomes an annuitant, as defined in
4 subsection (b), by virtue of beginning to receive a
5 retirement annuity under Article 15 of the Illinois Pension
6 Code, (2) has not made the election authorized under Section
7 15-135.1 of the Illinois Pension Code, and (3) is eligible to
8 participate in the basic program of group health benefits
9 provided for annuitants under this Act.

10 (b-7) "New TRS State annuitant" means a person who, on
11 or after July 1, 1998, becomes an annuitant, as defined in
12 subsection (b), by virtue of beginning to receive a
13 retirement annuity under Article 16 of the Illinois Pension
14 Code based on service as a teacher as defined in paragraph
15 (2), (3), or (5) of Section 16-106 of that Code, and is
16 eligible to participate in the basic program of group health
17 benefits provided for annuitants under this Act.

18 (c) "Carrier" means (1) an insurance company, a
19 corporation organized under the Limited Health Service
20 Organization Act or the Voluntary Health Services Plan Act, a
21 partnership, or other nongovernmental organization, which is
22 authorized to do group life or group health insurance
23 business in Illinois, or (2) the State of Illinois as a
24 self-insurer.

25 (d) "Compensation" means salary or wages payable on a
26 regular payroll by the State Treasurer on a warrant of the
27 State Comptroller out of any State, trust or federal fund, or
28 by the Governor of the State through a disbursing officer of
29 the State out of a trust or out of federal funds, or by any
30 Department out of State, trust, federal or other funds held
31 by the State Treasurer or the Department, to any person for
32 personal services currently performed, and ordinary or
33 accidental disability benefits under Articles 2, 14, 15
34 (including ordinary or accidental disability benefits under

1 the optional retirement program established under Section
2 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
3 Article 18 of the Illinois Pension Code, for disability
4 incurred after January 1, 1966, or benefits payable under the
5 Workers' Compensation or Occupational Diseases Act or
6 benefits payable under a sick pay plan established in
7 accordance with Section 36 of the State Finance Act.

8 "Compensation" also means salary or wages paid to an employee
9 of any qualified local government or qualified rehabilitation
10 facility or a qualified domestic violence shelter or service.

11 (e) "Commission" means the State Employees Group
12 Insurance Advisory Commission authorized by this Act.
13 Commencing July 1, 1984, "Commission" as used in this Act
14 means the Illinois Economic and Fiscal Commission as
15 established by the Legislative Commission Reorganization Act
16 of 1984.

17 (f) "Contributory", when referred to as contributory
18 coverage, shall mean optional coverages or benefits elected
19 by the member toward the cost of which such member makes
20 contribution, or which are funded in whole or in part through
21 the acceptance of a reduction in earnings or the foregoing of
22 an increase in earnings by an employee, as distinguished from
23 noncontributory coverage or benefits which are paid entirely
24 by the State of Illinois without reduction of the member's
25 salary.

26 (g) "Department" means any department, institution,
27 board, commission, officer, court or any agency of the State
28 government receiving appropriations and having power to
29 certify payrolls to the Comptroller authorizing payments of
30 salary and wages against such appropriations as are made by
31 the General Assembly from any State fund, or against trust
32 funds held by the State Treasurer and includes boards of
33 trustees of the retirement systems created by Articles 2, 14,
34 15, 16 and 18 of the Illinois Pension Code. "Department"

1 also includes the Illinois Comprehensive Health Insurance
2 Board, the Board of Examiners established under the Illinois
3 Public Accounting Act, and the Illinois Rural Bond Bank.

4 (h) "Dependent", when the term is used in the context of
5 the health and life plan, means a member's spouse and any
6 unmarried child (1) from birth to age 19 including an adopted
7 child, a child who lives with the member from the time of the
8 filing of a petition for adoption until entry of an order of
9 adoption, a stepchild or recognized child who lives with the
10 member in a parent-child relationship, or a child who lives
11 with the member if such member is a court appointed guardian
12 of the child, or (2) age 19 to 23 enrolled as a full-time
13 student in any accredited school, financially dependent upon
14 the member, and eligible to be claimed as a dependent for
15 income tax purposes, or (3) age 19 or over who is mentally or
16 physically handicapped. For the health plan only, the term
17 "dependent" also includes any person enrolled prior to the
18 effective date of this Section who is dependent upon the
19 member to the extent that the member may claim such person as
20 a dependent for income tax deduction purposes; no other such
21 person may be enrolled. For the health plan only, the term
22 "dependent" also includes any person who has received after
23 June 30, 2000 an organ transplant and who is financially
24 dependent upon the member and eligible to be claimed as a
25 dependent for income tax purposes.

26 (i) "Director" means the Director of the Illinois
27 Department of Central Management Services.

28 (j) "Eligibility period" means the period of time a
29 member has to elect enrollment in programs or to select
30 benefits without regard to age, sex or health.

31 (k) "Employee" means and includes each officer or
32 employee in the service of a department who (1) receives his
33 compensation for service rendered to the department on a
34 warrant issued pursuant to a payroll certified by a

1 department or on a warrant or check issued and drawn by a
2 department upon a trust, federal or other fund or on a
3 warrant issued pursuant to a payroll certified by an elected
4 or duly appointed officer of the State or who receives
5 payment of the performance of personal services on a warrant
6 issued pursuant to a payroll certified by a Department and
7 drawn by the Comptroller upon the State Treasurer against
8 appropriations made by the General Assembly from any fund or
9 against trust funds held by the State Treasurer, and (2) is
10 employed full-time or part-time in a position normally
11 requiring actual performance of duty during not less than 1/2
12 of a normal work period, as established by the Director in
13 cooperation with each department, except that persons elected
14 by popular vote will be considered employees during the
15 entire term for which they are elected regardless of hours
16 devoted to the service of the State, and (3) except that
17 "employee" does not include any person who is not eligible by
18 reason of such person's employment to participate in one of
19 the State retirement systems under Articles 2, 14, 15 (either
20 the regular Article 15 system or the optional retirement
21 program established under Section 15-158.2) or 18, or under
22 paragraph (2), (3), or (5) of Section 16-106, of the Illinois
23 Pension Code, but such term does include persons who are
24 employed during the 6 month qualifying period under Article
25 14 of the Illinois Pension Code. Such term also includes any
26 person who (1) after January 1, 1966, is receiving ordinary
27 or accidental disability benefits under Articles 2, 14, 15
28 (including ordinary or accidental disability benefits under
29 the optional retirement program established under Section
30 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
31 Article 18 of the Illinois Pension Code, for disability
32 incurred after January 1, 1966, (2) receives total permanent
33 or total temporary disability under the Workers' Compensation
34 Act or Occupational Disease Act as a result of injuries

1 sustained or illness contracted in the course of employment
2 with the State of Illinois, or (3) is not otherwise covered
3 under this Act and has retired as a participating member
4 under Article 2 of the Illinois Pension Code but is
5 ineligible for the retirement annuity under Section 2-119 of
6 the Illinois Pension Code. However, a person who satisfies
7 the criteria of the foregoing definition of "employee" except
8 that such person is made ineligible to participate in the
9 State Universities Retirement System by clause (4) of
10 subsection (a) of Section 15-107 of the Illinois Pension Code
11 is also an "employee" for the purposes of this Act.
12 "Employee" also includes any person receiving or eligible for
13 benefits under a sick pay plan established in accordance with
14 Section 36 of the State Finance Act. "Employee" also includes
15 each officer or employee in the service of a qualified local
16 government, including persons appointed as trustees of
17 sanitary districts regardless of hours devoted to the service
18 of the sanitary district, and each employee in the service of
19 a qualified rehabilitation facility and each full-time
20 employee in the service of a qualified domestic violence
21 shelter or service, as determined according to rules
22 promulgated by the Director.

23 (l) "Member" means an employee, annuitant, retired
24 employee or survivor.

25 (m) "Optional coverages or benefits" means those
26 coverages or benefits available to the member on his or her
27 voluntary election, and at his or her own expense.

28 (n) "Program" means the group life insurance, health
29 benefits and other employee benefits designed and contracted
30 for by the Director under this Act.

31 (o) "Health plan" means a health benefits program
32 offered by the State of Illinois for persons eligible for the
33 plan.

34 (p) "Retired employee" means any person who would be an

1 annuitant as that term is defined herein but for the fact
2 that such person retired prior to January 1, 1966. Such term
3 also includes any person formerly employed by the University
4 of Illinois in the Cooperative Extension Service who would be
5 an annuitant but for the fact that such person was made
6 ineligible to participate in the State Universities
7 Retirement System by clause (4) of subsection (a) of Section
8 15-107 of the Illinois Pension Code.

9 (q) "Survivor" means a person receiving an annuity as a
10 survivor of an employee or of an annuitant. "Survivor" also
11 includes: (1) the surviving dependent of a person who
12 satisfies the definition of "employee" except that such
13 person is made ineligible to participate in the State
14 Universities Retirement System by clause (4) of subsection
15 (a) of Section 15-107 of the Illinois Pension Code; and (2)
16 the surviving dependent of any person formerly employed by
17 the University of Illinois in the Cooperative Extension
18 Service who would be an annuitant except for the fact that
19 such person was made ineligible to participate in the State
20 Universities Retirement System by clause (4) of subsection
21 (a) of Section 15-107 of the Illinois Pension Code.

22 (q-5) "New SERS survivor" means a survivor, as defined
23 in subsection (q), whose annuity is paid under Article 14 of
24 the Illinois Pension Code and is based on the death of (i) an
25 employee whose death occurs on or after January 1, 1998, or
26 (ii) a new SERS annuitant as defined in subsection (b-5).

27 (q-6) "New SERS survivor" means a survivor, as defined
28 in subsection (q), whose annuity is paid under Article 15 of
29 the Illinois Pension Code and is based on the death of (i) an
30 employee whose death occurs on or after January 1, 1998, or
31 (ii) a new SERS annuitant as defined in subsection (b-6).

32 (q-7) "New TRS State survivor" means a survivor, as
33 defined in subsection (q), whose annuity is paid under
34 Article 16 of the Illinois Pension Code and is based on the

1 death of (i) an employee who is a teacher as defined in
2 paragraph (2), (3), or (5) of Section 16-106 of that Code and
3 whose death occurs on or after July 1, 1998, or (ii) a new
4 TRS State annuitant as defined in subsection (b-7).

5 (r) "Medical services" means the services provided
6 within the scope of their licenses by practitioners in all
7 categories licensed under the Medical Practice Act of 1987.

8 (s) "Unit of local government" means any county,
9 municipality, township, school district (including a
10 combination of school districts under the Intergovernmental
11 Cooperation Act), special district or other unit, designated
12 as a unit of local government by law, which exercises limited
13 governmental powers or powers in respect to limited
14 governmental subjects, any not-for-profit association with a
15 membership that primarily includes townships and township
16 officials, that has duties that include provision of research
17 service, dissemination of information, and other acts for the
18 purpose of improving township government, and that is funded
19 wholly or partly in accordance with Section 85-15 of the
20 Township Code; any not-for-profit corporation or association,
21 with a membership consisting primarily of municipalities,
22 that operates its own utility system, and provides research,
23 training, dissemination of information, or other acts to
24 promote cooperation between and among municipalities that
25 provide utility services and for the advancement of the goals
26 and purposes of its membership; the Southern Illinois
27 Collegiate Common Market, which is a consortium of higher
28 education institutions in Southern Illinois; and the Illinois
29 Association of Park Districts. "Qualified local government"
30 means a unit of local government approved by the Director and
31 participating in a program created under subsection (i) of
32 Section 10 of this Act.

33 (t) "Qualified rehabilitation facility" means any
34 not-for-profit organization that is accredited by the

1 Commission on Accreditation of Rehabilitation Facilities or
2 certified by the Department of Human Services (as successor
3 to the Department of Mental Health and Developmental
4 Disabilities) to provide services to persons with
5 disabilities and which receives funds from the State of
6 Illinois for providing those services, approved by the
7 Director and participating in a program created under
8 subsection (j) of Section 10 of this Act.

9 (u) "Qualified domestic violence shelter or service"
10 means any Illinois domestic violence shelter or service and
11 its administrative offices funded by the Department of Human
12 Services (as successor to the Illinois Department of Public
13 Aid), approved by the Director and participating in a program
14 created under subsection (k) of Section 10.

15 (v) "TRS benefit recipient" means a person who:

16 (1) is not a "member" as defined in this Section;
17 and

18 (2) is receiving a monthly benefit or retirement
19 annuity under Article 16 of the Illinois Pension Code;
20 and

21 (3) either (i) has at least 8 years of creditable
22 service under Article 16 of the Illinois Pension Code, or
23 (ii) was enrolled in the health insurance program offered
24 under that Article on January 1, 1996, or (iii) is the
25 survivor of a benefit recipient who had at least 8 years
26 of creditable service under Article 16 of the Illinois
27 Pension Code or was enrolled in the health insurance
28 program offered under that Article on the effective date
29 of this amendatory Act of 1995, or (iv) is a recipient or
30 survivor of a recipient of a disability benefit under
31 Article 16 of the Illinois Pension Code.

32 (w) "TRS dependent beneficiary" means a person who:

33 (1) is not a "member" or "dependent" as defined in
34 this Section; and

1 (2) is a TRS benefit recipient's: (A) spouse, (B)
2 dependent parent who is receiving at least half of his or
3 her support from the TRS benefit recipient, or (C)
4 unmarried natural or adopted child who is (i) under age
5 19, or (ii) enrolled as a full-time student in an
6 accredited school, financially dependent upon the TRS
7 benefit recipient, eligible to be claimed as a dependent
8 for income tax purposes, and either is under age 24 or
9 was, on January 1, 1996, participating as a dependent
10 beneficiary in the health insurance program offered under
11 Article 16 of the Illinois Pension Code, or (iii) age 19
12 or over who is mentally or physically handicapped.

13 (x) "Military leave with pay and benefits" refers to
14 individuals in basic training for reserves, special/advanced
15 training, annual training, emergency call up, or activation
16 by the President of the United States with approved pay and
17 benefits.

18 (y) "Military leave without pay and benefits" refers to
19 individuals who enlist for active duty in a regular component
20 of the U.S. Armed Forces or other duty not specified or
21 authorized under military leave with pay and benefits.

22 (z) "Community college benefit recipient" means a person
23 who:

24 (1) is not a "member" as defined in this Section;
25 and

26 (2) is receiving a monthly survivor's annuity or
27 retirement annuity under Article 15 of the Illinois
28 Pension Code; and

29 (3) either (i) was a full-time employee of a
30 community college district or an association of community
31 college boards created under the Public Community College
32 Act (other than an employee whose last employer under
33 Article 15 of the Illinois Pension Code was a community
34 college district subject to Article VII of the Public

1 Community College Act) and was eligible to participate in
 2 a group health benefit plan as an employee during the
 3 time of employment with a community college district
 4 (other than a community college district subject to
 5 Article VII of the Public Community College Act) or an
 6 association of community college boards, or (ii) is the
 7 survivor of a person described in item (i).

8 (aa) "Community college dependent beneficiary" means a
 9 person who:

10 (1) is not a "member" or "dependent" as defined in
 11 this Section; and

12 (2) is a community college benefit recipient's: (A)
 13 spouse, (B) dependent parent who is receiving at least
 14 half of his or her support from the community college
 15 benefit recipient, or (C) unmarried natural or adopted
 16 child who is (i) under age 19, or (ii) enrolled as a
 17 full-time student in an accredited school, financially
 18 dependent upon the community college benefit recipient,
 19 eligible to be claimed as a dependent for income tax
 20 purposes and under age 23, or (iii) age 19 or over and
 21 mentally or physically handicapped.

22 (bb) "Long-term care facility" means an entity licensed
 23 under the Nursing Home Care Act by the Department of Public
 24 Health to provide services to the elderly or developmentally
 25 disabled.

26 (Source: P.A. 91-390, eff. 7-30-99; 91-395, eff. 7-30-99;
 27 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; 92-186, eff.
 28 1-1-02; 92-204, eff. 8-1-01; revised 9-19-01.)

29 (5 ILCS 375/10) (from Ch. 127, par. 530)

30 Sec. 10. Payments by State; premiums.

31 (a) The State shall pay the cost of basic
 32 non-contributory group life insurance and, subject to member
 33 paid contributions set by the Department or required by this

1 Section, the basic program of group health benefits on each
2 eligible member, except a member, not otherwise covered by
3 this Act, who has retired as a participating member under
4 Article 2 of the Illinois Pension Code but is ineligible for
5 the retirement annuity under Section 2-119 of the Illinois
6 Pension Code, and part of each eligible member's and retired
7 member's premiums for health insurance coverage for enrolled
8 dependents as provided by Section 9. The State shall pay the
9 cost of the basic program of group health benefits only after
10 benefits are reduced by the amount of benefits covered by
11 Medicare for all members and dependents who are eligible for
12 benefits under Social Security or the Railroad Retirement
13 system or who had sufficient Medicare-covered government
14 employment, except that such reduction in benefits shall
15 apply only to those members and dependents who (1) first
16 become eligible for such Medicare coverage on or after July
17 1, 1992; or (2) are Medicare-eligible members or dependents
18 of a local government unit which began participation in the
19 program on or after July 1, 1992; or (3) remain eligible for,
20 but no longer receive Medicare coverage which they had been
21 receiving on or after July 1, 1992. The Department may
22 determine the aggregate level of the State's contribution on
23 the basis of actual cost of medical services adjusted for
24 age, sex or geographic or other demographic characteristics
25 which affect the costs of such programs.

26 The cost of participation in the basic program of group
27 health benefits for the dependent or survivor of a living or
28 deceased retired employee who was formerly employed by the
29 University of Illinois in the Cooperative Extension Service
30 and would be an annuitant but for the fact that he or she was
31 made ineligible to participate in the State Universities
32 Retirement System by clause (4) of subsection (a) of Section
33 15-107 of the Illinois Pension Code shall not be greater than
34 the cost of participation that would otherwise apply to that

1 dependent or survivor if he or she were the dependent or
2 survivor of an annuitant under the State Universities
3 Retirement System.

4 (a-1) Beginning January 1, 1998, for each person who
5 becomes a new SERS annuitant and participates in the basic
6 program of group health benefits, the State shall contribute
7 toward the cost of the annuitant's coverage under the basic
8 program of group health benefits an amount equal to 5% of
9 that cost for each full year of creditable service upon which
10 the annuitant's retirement annuity is based, up to a maximum
11 of 100% for an annuitant with 20 or more years of creditable
12 service. The remainder of the cost of a new SERS annuitant's
13 coverage under the basic program of group health benefits
14 shall be the responsibility of the annuitant.

15 (a-2) Beginning January 1, 1998, for each person who
16 becomes a new SERS survivor and participates in the basic
17 program of group health benefits, the State shall contribute
18 toward the cost of the survivor's coverage under the basic
19 program of group health benefits an amount equal to 5% of
20 that cost for each full year of the deceased employee's or
21 deceased annuitant's creditable service in the State
22 Employees' Retirement System of Illinois on the date of
23 death, up to a maximum of 100% for a survivor of an employee
24 or annuitant with 20 or more years of creditable service.
25 The remainder of the cost of the new SERS survivor's coverage
26 under the basic program of group health benefits shall be the
27 responsibility of the survivor.

28 (a-3) Beginning January 1, 1998, for each person who
29 becomes a new SURS annuitant and participates in the basic
30 program of group health benefits, the State shall contribute
31 toward the cost of the annuitant's coverage under the basic
32 program of group health benefits an amount equal to 5% of
33 that cost for each full year of creditable service upon which
34 the annuitant's retirement annuity is based, up to a maximum

1 of 100% for an annuitant with 20 or more years of creditable
2 service. The remainder of the cost of a new SURS annuitant's
3 coverage under the basic program of group health benefits
4 shall be the responsibility of the annuitant.

5 (a-4) (Blank).

6 (a-5) Beginning January 1, 1998, for each person who
7 becomes a new SURS survivor and participates in the basic
8 program of group health benefits, the State shall contribute
9 toward the cost of the survivor's coverage under the basic
10 program of group health benefits an amount equal to 5% of
11 that cost for each full year of the deceased employee's or
12 deceased annuitant's creditable service in the State
13 Universities Retirement System on the date of death, up to a
14 maximum of 100% for a survivor of an employee or annuitant
15 with 20 or more years of creditable service. The remainder
16 of the cost of the new SURS survivor's coverage under the
17 basic program of group health benefits shall be the
18 responsibility of the survivor.

19 (a-6) Beginning July 1, 1998, for each person who
20 becomes a new TRS State annuitant and participates in the
21 basic program of group health benefits, the State shall
22 contribute toward the cost of the annuitant's coverage under
23 the basic program of group health benefits an amount equal to
24 5% of that cost for each full year of creditable service as a
25 teacher as defined in paragraph (2), (3), or (5) of Section
26 16-106 of the Illinois Pension Code upon which the
27 annuitant's retirement annuity is based, up to a maximum of
28 100%; except that the State contribution shall be 12.5% per
29 year (rather than 5%) for each full year of creditable
30 service as a regional superintendent or assistant regional
31 superintendent of schools. The remainder of the cost of a
32 new TRS State annuitant's coverage under the basic program of
33 group health benefits shall be the responsibility of the
34 annuitant.

1 (a-7) Beginning July 1, 1998, for each person who
2 becomes a new TRS State survivor and participates in the
3 basic program of group health benefits, the State shall
4 contribute toward the cost of the survivor's coverage under
5 the basic program of group health benefits an amount equal to
6 5% of that cost for each full year of the deceased employee's
7 or deceased annuitant's creditable service as a teacher as
8 defined in paragraph (2), (3), or (5) of Section 16-106 of
9 the Illinois Pension Code on the date of death, up to a
10 maximum of 100%; except that the State contribution shall be
11 12.5% per year (rather than 5%) for each full year of the
12 deceased employee's or deceased annuitant's creditable
13 service as a regional superintendent or assistant regional
14 superintendent of schools. The remainder of the cost of the
15 new TRS State survivor's coverage under the basic program of
16 group health benefits shall be the responsibility of the
17 survivor.

18 (a-8) A new SERS annuitant, new SERS survivor, new SURS
19 annuitant, new SURS survivor, new TRS State annuitant, or new
20 TRS State survivor may waive or terminate coverage in the
21 program of group health benefits. Any such annuitant or
22 survivor who has waived or terminated coverage may enroll or
23 re-enroll in the program of group health benefits only during
24 the annual benefit choice period, as determined by the
25 Director; except that in the event of termination of coverage
26 due to nonpayment of premiums, the annuitant or survivor may
27 not re-enroll in the program.

28 (a-9) No later than May 1 of each calendar year, the
29 Director of Central Management Services shall certify in
30 writing to the Executive Secretary of the State Employees'
31 Retirement System of Illinois the amounts of the Medicare
32 supplement health care premiums and the amounts of the health
33 care premiums for all other retirees who are not Medicare
34 eligible.

1 A separate calculation of the premiums based upon the
2 actual cost of each health care plan shall be so certified.

3 The Director of Central Management Services shall provide
4 to the Executive Secretary of the State Employees' Retirement
5 System of Illinois such information, statistics, and other
6 data as he or she may require to review the premium amounts
7 certified by the Director of Central Management Services.

8 (b) State employees who become eligible for this program
9 on or after January 1, 1980 in positions normally requiring
10 actual performance of duty not less than 1/2 of a normal work
11 period but not equal to that of a normal work period, shall
12 be given the option of participating in the available
13 program. If the employee elects coverage, the State shall
14 contribute on behalf of such employee to the cost of the
15 employee's benefit and any applicable dependent supplement,
16 that sum which bears the same percentage as that percentage
17 of time the employee regularly works when compared to normal
18 work period.

19 (c) The basic non-contributory coverage from the basic
20 program of group health benefits shall be continued for each
21 employee not in pay status or on active service by reason of
22 (1) leave of absence due to illness or injury, (2) authorized
23 educational leave of absence or sabbatical leave, or (3)
24 military leave with pay and benefits. This coverage shall
25 continue until expiration of authorized leave and return to
26 active service, but not to exceed 24 months for leaves under
27 item (1) or (2). This 24-month limitation and the requirement
28 of returning to active service shall not apply to persons
29 receiving ordinary or accidental disability benefits or
30 retirement benefits through the appropriate State retirement
31 system or benefits under the Workers' Compensation or
32 Occupational Disease Act.

33 (d) The basic group life insurance coverage shall
34 continue, with full State contribution, where such person is

1 (1) absent from active service by reason of disability
2 arising from any cause other than self-inflicted, (2) on
3 authorized educational leave of absence or sabbatical leave,
4 or (3) on military leave with pay and benefits.

5 (e) Where the person is in non-pay status for a period
6 in excess of 30 days or on leave of absence, other than by
7 reason of disability, educational or sabbatical leave, or
8 military leave with pay and benefits, such person may
9 continue coverage only by making personal payment equal to
10 the amount normally contributed by the State on such person's
11 behalf. Such payments and coverage may be continued: (1)
12 until such time as the person returns to a status eligible
13 for coverage at State expense, but not to exceed 24 months,
14 (2) until such person's employment or annuitant status with
15 the State is terminated, or (3) for a maximum period of 4
16 years for members on military leave with pay and benefits and
17 military leave without pay and benefits (exclusive of any
18 additional service imposed pursuant to law).

19 (f) The Department shall establish by rule the extent
20 to which other employee benefits will continue for persons in
21 non-pay status or who are not in active service.

22 (g) The State shall not pay the cost of the basic
23 non-contributory group life insurance, program of health
24 benefits and other employee benefits for members who are
25 survivors as defined by paragraphs (1) and (2) of subsection
26 (q) of Section 3 of this Act. The costs of benefits for
27 these survivors shall be paid by the survivors or by the
28 University of Illinois Cooperative Extension Service, or any
29 combination thereof. However, the State shall pay the amount
30 of the reduction in the cost of participation, if any,
31 resulting from the amendment to subsection (a) made by this
32 amendatory Act of the 91st General Assembly.

33 (h) Those persons occupying positions with any
34 department as a result of emergency appointments pursuant to

1 Section 8b.8 of the Personnel Code who are not considered
2 employees under this Act shall be given the option of
3 participating in the programs of group life insurance, health
4 benefits and other employee benefits. Such persons electing
5 coverage may participate only by making payment equal to the
6 amount normally contributed by the State for similarly
7 situated employees. Such amounts shall be determined by the
8 Director. Such payments and coverage may be continued until
9 such time as the person becomes an employee pursuant to this
10 Act or such person's appointment is terminated.

11 (i) Any unit of local government within the State of
12 Illinois may apply to the Director to have its employees,
13 annuitants, and their dependents provided group health
14 coverage under this Act on a non-insured basis. To
15 participate, a unit of local government must agree to enroll
16 all of its employees, who may select coverage under either
17 the State group health benefits plan or a health maintenance
18 organization that has contracted with the State to be
19 available as a health care provider for employees as defined
20 in this Act. A unit of local government must remit the
21 entire cost of providing coverage under the State group
22 health benefits plan or, for coverage under a health
23 maintenance organization, an amount determined by the
24 Director based on an analysis of the sex, age, geographic
25 location, or other relevant demographic variables for its
26 employees, except that the unit of local government shall not
27 be required to enroll those of its employees who are covered
28 spouses or dependents under this plan or another group policy
29 or plan providing health benefits as long as (1) an
30 appropriate official from the unit of local government
31 attests that each employee not enrolled is a covered spouse
32 or dependent under this plan or another group policy or plan,
33 and (2) at least 85% of the employees are enrolled and the
34 unit of local government remits the entire cost of providing

1 coverage to those employees, except that a participating
2 school district must have enrolled at least 85% of its
3 full-time employees who have not waived coverage under the
4 district's group health plan by participating in a component
5 of the district's cafeteria plan. A participating school
6 district is not required to enroll a full-time employee who
7 has waived coverage under the district's health plan,
8 provided that an appropriate official from the participating
9 school district attests that the full-time employee has
10 waived coverage by participating in a component of the
11 district's cafeteria plan. For the purposes of this
12 subsection, "participating school district" includes a unit
13 of local government whose primary purpose is education as
14 defined by the Department's rules.

15 Employees of a participating unit of local government who
16 are not enrolled due to coverage under another group health
17 policy or plan may enroll in the event of a qualifying change
18 in status, special enrollment, special circumstance as
19 defined by the Director, or during the annual Benefit Choice
20 Period. A participating unit of local government may also
21 elect to cover its annuitants. Dependent coverage shall be
22 offered on an optional basis, with the costs paid by the unit
23 of local government, its employees, or some combination of
24 the two as determined by the unit of local government. The
25 unit of local government shall be responsible for timely
26 collection and transmission of dependent premiums.

27 The Director shall annually determine monthly rates of
28 payment, subject to the following constraints:

29 (1) In the first year of coverage, the rates shall
30 be equal to the amount normally charged to State
31 employees for elected optional coverages or for enrolled
32 dependents coverages or other contributory coverages, or
33 contributed by the State for basic insurance coverages on
34 behalf of its employees, adjusted for differences between

1 State employees and employees of the local government in
2 age, sex, geographic location or other relevant
3 demographic variables, plus an amount sufficient to pay
4 for the additional administrative costs of providing
5 coverage to employees of the unit of local government and
6 their dependents.

7 (2) In subsequent years, a further adjustment shall
8 be made to reflect the actual prior years' claims
9 experience of the employees of the unit of local
10 government.

11 In the case of coverage of local government employees
12 under a health maintenance organization, the Director shall
13 annually determine for each participating unit of local
14 government the maximum monthly amount the unit may contribute
15 toward that coverage, based on an analysis of (i) the age,
16 sex, geographic location, and other relevant demographic
17 variables of the unit's employees and (ii) the cost to cover
18 those employees under the State group health benefits plan.
19 The Director may similarly determine the maximum monthly
20 amount each unit of local government may contribute toward
21 coverage of its employees' dependents under a health
22 maintenance organization.

23 Monthly payments by the unit of local government or its
24 employees for group health benefits plan or health
25 maintenance organization coverage shall be deposited in the
26 Local Government Health Insurance Reserve Fund. The Local
27 Government Health Insurance Reserve Fund shall be a
28 continuing fund not subject to fiscal year limitations. All
29 expenditures from this fund shall be used for payments for
30 health care benefits for local government and rehabilitation
31 facility employees, annuitants, and dependents, and to
32 reimburse the Department or its administrative service
33 organization for all expenses incurred in the administration
34 of benefits. No other State funds may be used for these

1 purposes.

2 A local government employer's participation or desire to
3 participate in a program created under this subsection shall
4 not limit that employer's duty to bargain with the
5 representative of any collective bargaining unit of its
6 employees.

7 (j) Any rehabilitation facility within the State of
8 Illinois may apply to the Director to have its employees,
9 annuitants, and their eligible dependents provided group
10 health coverage under this Act on a non-insured basis. To
11 participate, a rehabilitation facility must agree to enroll
12 all of its employees and remit the entire cost of providing
13 such coverage for its employees, except that the
14 rehabilitation facility shall not be required to enroll those
15 of its employees who are covered spouses or dependents under
16 this plan or another group policy or plan providing health
17 benefits as long as (1) an appropriate official from the
18 rehabilitation facility attests that each employee not
19 enrolled is a covered spouse or dependent under this plan or
20 another group policy or plan, and (2) at least 85% of the
21 employees are enrolled and the rehabilitation facility remits
22 the entire cost of providing coverage to those employees.
23 Employees of a participating rehabilitation facility who are
24 not enrolled due to coverage under another group health
25 policy or plan may enroll in the event of a qualifying change
26 in status, special enrollment, special circumstance as
27 defined by the Director, or during the annual Benefit Choice
28 Period. A participating rehabilitation facility may also
29 elect to cover its annuitants. Dependent coverage shall be
30 offered on an optional basis, with the costs paid by the
31 rehabilitation facility, its employees, or some combination
32 of the 2 as determined by the rehabilitation facility. The
33 rehabilitation facility shall be responsible for timely
34 collection and transmission of dependent premiums.

1 The Director shall annually determine quarterly rates of
2 payment, subject to the following constraints:

3 (1) In the first year of coverage, the rates shall
4 be equal to the amount normally charged to State
5 employees for elected optional coverages or for enrolled
6 dependents coverages or other contributory coverages on
7 behalf of its employees, adjusted for differences between
8 State employees and employees of the rehabilitation
9 facility in age, sex, geographic location or other
10 relevant demographic variables, plus an amount sufficient
11 to pay for the additional administrative costs of
12 providing coverage to employees of the rehabilitation
13 facility and their dependents.

14 (2) In subsequent years, a further adjustment shall
15 be made to reflect the actual prior years' claims
16 experience of the employees of the rehabilitation
17 facility.

18 Monthly payments by the rehabilitation facility or its
19 employees for group health benefits shall be deposited in the
20 Local Government Health Insurance Reserve Fund.

21 (j-1) Any long-term care facility licensed under the
22 Nursing Home Care Act within the State of Illinois may apply
23 to the Director to have its employees, annuitants, and their
24 eligible dependents provided group health coverage under this
25 Act on a non-insured basis. To participate, a facility must
26 agree to enroll all of its employees, except that a long-term
27 care facility shall not be required to enroll employees who
28 are covered spouses or dependents under this plan or another
29 group policy or plan providing health benefits as long as (i)
30 an appropriate official from the long-term care facility
31 attests that each employee not enrolled is a covered spouse
32 or dependent under this plan or another group policy or plan
33 and (ii) at least 85% of the employees are enrolled and the
34 long-term care facility remits the entire cost of providing

1 coverage to those employees. Employees of a participating
2 long-term care facility who are not enrolled due to coverage
3 under another group health policy or plan may enroll in the
4 event of a qualifying change in status, special enrollment,
5 special circumstance as defined by the Director, or during
6 the annual benefit choice period. A participating facility
7 may also elect to cover its annuitants. Dependent coverage
8 shall be offered on an optional basis, with employees, or
9 some combination of the 2, as determined by the facility. The
10 facility shall be responsible for timely collection and
11 transmission of dependent premiums.

12 The Director shall annually determine quarterly rates of
13 payment, subject to the following constraints:

14 (1) In the first year of coverage, the rates shall
15 be equal to the amount normally charged to State
16 employees for elected optional coverages or for enrolled
17 dependents coverages or other contributory coverages on
18 behalf of its employees, adjusted for differences between
19 State employees and employees of the facility in age,
20 sex, geographic location, or other relevant demographic
21 variables, plus an amount sufficient to pay for the
22 additional administrative costs of providing coverage to
23 employees of the rehabilitation facility and their
24 dependents.

25 (2) In subsequent years, a further adjustment shall
26 be made to reflect the actual prior years' claims
27 experience of the employees of the facility.

28 Monthly payments by the facility or its employees for
29 group health benefits shall be deposited in the Local
30 Government Health Insurance Reserve Fund.

31 (k) Any domestic violence shelter or service within the
32 State of Illinois may apply to the Director to have its
33 employees, annuitants, and their dependents provided group
34 health coverage under this Act on a non-insured basis. To

1 participate, a domestic violence shelter or service must
2 agree to enroll all of its employees and pay the entire cost
3 of providing such coverage for its employees. A
4 participating domestic violence shelter may also elect to
5 cover its annuitants. Dependent coverage shall be offered on
6 an optional basis, with employees, or some combination of the
7 2 as determined by the domestic violence shelter or service.
8 The domestic violence shelter or service shall be responsible
9 for timely collection and transmission of dependent premiums.

10 The Director shall annually determine rates of payment,
11 subject to the following constraints:

12 (1) In the first year of coverage, the rates shall
13 be equal to the amount normally charged to State
14 employees for elected optional coverages or for enrolled
15 dependents coverages or other contributory coverages on
16 behalf of its employees, adjusted for differences between
17 State employees and employees of the domestic violence
18 shelter or service in age, sex, geographic location or
19 other relevant demographic variables, plus an amount
20 sufficient to pay for the additional administrative costs
21 of providing coverage to employees of the domestic
22 violence shelter or service and their dependents.

23 (2) In subsequent years, a further adjustment shall
24 be made to reflect the actual prior years' claims
25 experience of the employees of the domestic violence
26 shelter or service.

27 Monthly payments by the domestic violence shelter or
28 service or its employees for group health insurance shall be
29 deposited in the Local Government Health Insurance Reserve
30 Fund.

31 (1) A public community college or entity organized
32 pursuant to the Public Community College Act may apply to the
33 Director initially to have only annuitants not covered prior
34 to July 1, 1992 by the district's health plan provided health

1 coverage under this Act on a non-insured basis. The
 2 community college must execute a 2-year contract to
 3 participate in the Local Government Health Plan. Any
 4 annuitant may enroll in the event of a qualifying change in
 5 status, special enrollment, special circumstance as defined
 6 by the Director, or during the annual Benefit Choice Period.

7 The Director shall annually determine monthly rates of
 8 payment subject to the following constraints: for those
 9 community colleges with annuitants only enrolled, first year
 10 rates shall be equal to the average cost to cover claims for
 11 a State member adjusted for demographics, Medicare
 12 participation, and other factors; and in the second year, a
 13 further adjustment of rates shall be made to reflect the
 14 actual first year's claims experience of the covered
 15 annuitants.

16 (l-5) The provisions of subsection (l) become
 17 inoperative on July 1, 1999.

18 (m) The Director shall adopt any rules deemed necessary
 19 for implementation of this amendatory Act of 1989 (Public Act
 20 86-978).

21 (Source: P.A. 91-280, eff. 7-23-99; 91-311; eff. 7-29-99;
 22 91-357, eff. 7-29-99; 91-390, eff. 7-30-99; 91-395, eff.
 23 7-30-99; 91-617, eff. 8-19-99; 92-16, eff. 6-28-01.)

24 Section 10. The Department of Public Health Act is
 25 amended by adding Sections 5.6 and 5.7 as follows:

26 (20 ILCS 2305/5.6 new)

27 Sec. 5.6. Coordination of loan forgiveness, grant, and
 28 tuition waiver programs and training programs.

29 (a) The General Assembly finds that the supply of health
 30 care workers is declining at a time when the need for such
 31 workers is growing. This Section provides additional benefits
 32 to certain critical health care workers to encourage

1 recruitment and improve retention of such workers.

2 (b) The Director of Public Health shall coordinate all
3 loan forgiveness, grant, and tuition waiver programs and
4 training programs available for licensed and unlicensed
5 health care workers who work or pledge to work in long-term
6 health care settings. These programs are additive and will
7 not offset each other to the extent that they do not exceed
8 100% of the program costs and living expenses.

9 Loan forgiveness, grant, tuition waiver programs and
10 training programs include, but are not limited to: (1) the
11 National Health Services Corps State Loan Repayment Program;
12 (2) the State Rural Health Network Reform Initiative; (3) the
13 Nursing Grant Program; (4) the Rural Physicians Loan
14 Forgiveness Loan Program; (5) the Rural Midlevel Practitioner
15 Loan Forgiveness Program; (6) the Nurses in Nursing Homes or
16 ICFs/MRs; (7) the Rural Clinic Sites for Nurse Practitioner
17 Education; (8) the Health Care and Human Services Worker
18 Training and Retention Program; (9) the Health Care and Human
19 Services Tuition Waiver Program (10) the Worker Development
20 Fund; and (11) the tuition payback program established under
21 Section 5.7.

22 (c) The Department of Public Health shall also serve as
23 a clearinghouse on available programs through the
24 dissemination of information to interested individuals and
25 through the development and performance of public education
26 activities, including outreach.

27 (20 ILCS 2305/5.7 new)

28 Sec. 5.7. Tuition payback program. The Director of
29 Public Health shall establish a health care worker tuition
30 payback program, with grants made available to health care
31 facilities for the purpose of (i) reimbursing employees costs
32 of tuition for education needed to perform their current job
33 functions, (ii) reimbursing employees costs of tuition to

1 further their career development in the long-term care field,
2 or (iii) payment for past tuition debts in exchange for
3 pledges to work within the facility for a period of time.

4 Section 15. The Department of Public Health Powers and
5 Duties Law of the Civil Administrative Code of Illinois is
6 amended by adding Section 2310-201 as follows:

7 (20 ILCS 2310/2310-201 new)

8 Sec. 2310-201. Health care worker incentive program. The
9 Department, in cooperation with organizations representing
10 health care professionals and their employers, the Illinois
11 Community College Board, the Southern Illinois University at
12 Carbondale Department of Workforce Education, and the State
13 Board of Education, shall develop and implement an initiative
14 to address the severe shortage of health care staff in
15 Illinois. The Department must annually report on the status
16 of the initiative to the General Assembly.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law."